

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.

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In the Matter of)
) CC Docket No. 95-116
Telephone Number Portability)

REPLY COMMENTS OF SPRINT CORPORATION

Sprint Corporation ("Sprint") respectfully submits its reply to comments filed in the matter on August 3, 1998.

The August 3rd comments were filed in response to the Commission's *Third Report and Order in the Matter of Telephone Number Portability*, released May 12, 1998, which addressed cost recovery questions surrounding the implementation of local number portability ("LNP"). Specifically, the Commission requested comment on the proper apportionment of joint costs among portability and nonportability services. Many of the incumbent local exchange carriers ("ILECs") filing comments focused on specific hardware and software costs, a portion of which they believe should be included in LNP rate development. AT&T, on the other hand, provided what can best be described as a test to be used by the Commission to establish whether those costs claimed by ILECs to be a part of LNP cost recovery are, in fact, direct costs of providing LNP.

Sprint agrees with AT&T that ILECs bear the burden of proving their LNP charges to be cost-based. This necessarily means that the carrier will be required

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to demonstrate that any cost it claims to be LNP-related, must be incurred as a direct result of LNP deployment. In this regard, AT&T suggests a "but for" test wherein "an expense or investment is not recoverable unless it would not have been incurred but for LNP implementation." (AT&T at p. 5)

On its face, AT&T's "but for" test appears to be reasonable. Sprint agrees that costs should be thoroughly scrutinized before the Commission authorizes recovery and, in that context, the "but for" test may, if applied objectively, prove a useful tool to the Commission. However, AT&T has misapplied its proposed test as regards operational support system ("OSS") costs. In this particular example, AT&T claims that "ILECs have been incurring costs, such as for OSS, in order to resell their local services to other carriers or provision unbundled network elements. Costs such as these plainly are not related to number portability, and should not be recovered via LNP tariffs." (AT&T at p. 5).

If AT&T were to actually apply the "but for" test to OSS, it would find that there are, in fact, legitimate costs incurred by ILECs to ready their operational support systems to accommodate LNP. In other words, but for the deployment of LNP, certain software would not be required as a part of these support systems. Consequently, if the "but for" test is to be of value, it must be applied -- free of non-fact based assumptions -- to all expense and investment classifications proffered by a carrier as LNP direct costs.

Finally, AT&T repeats here arguments it has made in recent comments on the petitions for reconsideration of the *Third Report and Order* on the issue of inclusion of general overhead costs in LNP rate development. On this same day, Sprint is filing a detailed response refuting AT&T's claims on the overhead issue. Sprint will not replicate its arguments here, but instead incorporates its September 16, 1998 Reply to the Comments on the Petitions for Reconsideration into this pleading by reference.

Respectfully submitted,
SPRINT CORPORATION

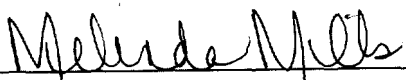
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September 16, 1998

CERTIFICATE OF SERVICE

I, Melinda L. Mills, hereby certify that I have on this 16th day of September 1998, served via U.S. First Class Mail, postage prepaid, or Hand Delivery, a copy of the foregoing "Reply Comments of Sprint Corporation" In the Matter of Telephone Number Portability, CC Docket No. 95-116, filed this date with the Secretary, Federal Communications Commission, to the persons on the attached service list.



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